

EXECUTIVE SUMMARY

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Purpose of the Consolidated Plan

Beginning in FY 1995, the U.S. Department of Housing and Urban Development (HUD) required states and local communities to prepare a Consolidated Plan in order to receive federal housing and community development funding. The Plan consolidates into a single document the previously separate planning and application requirements for Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG), the HOME Investment Partnerships Program (HOME) and Housing Opportunities for People with AIDS (HOPWA) funding, and the Comprehensive Housing and Affordability Strategy (CHAS). Consolidated Plans are required to be prepared every three to five years; updates to the Plan are required annually.

The Purpose of the Consolidated Plan is:

1. To identify a state's housing and community development needs, priorities, goals, and strategies; and
2. To stipulate how funds will be allocated to state housing and community development nonprofit organizations and local governments.

This report is the State of Indiana Five-Year Consolidated Plan, covering the program years 2005 through 2009. This report contains new information about demographic, economic and housing market trends in the State; an analysis of Statewide affordable housing needs; findings from the citizen participation process; and a current analysis of the needs of special populations. The report also contains a new Five-Year Strategic Plan and One-Year Action Plan for allocating the HUD grant funds to address the State's housing and community development needs.

Compliance with Consolidated Plan Regulations

The State of Indiana's Five-Year Consolidated Plan was prepared in accordance with Sections 91.300 through 91.330 of the U.S. Department of Housing and Urban Development's Consolidated Plan regulations. Appendix H, the "HUD Regulations Cross-Walk" contains a checklist detailing how the Plan meets these requirements.

Organization of the Report

The State's FY2005-2009 Five-Year Plan is organized into seven sections and eight appendices.

- Section I is an introduction to the report.
- Section II discusses the demographic and economic trends in Indiana to set the context for the housing and community development needs and strategies discussed in later sections.
- Section III reports the findings from the citizen participation process conducted for the Five-Year Plan.
- Section IV reports updated information about the State's housing market and needs, including housing vacancies, unit characteristics, affordability, cost burden and the needs of public housing authorities in nonentitlement areas;
- Section V discusses the housing and community development needs of the State's special needs populations. The section gives updated estimates of these populations, reports new programs and initiatives to serve them, and identifies remaining gaps.
- Section VI contains the State's updated Analysis of Impediments to Fair Housing Choice.
- Section VII contains the State's Five-Year program strategies, the One-Year Action Plan for program year 2005, and the required HUD tables.

The Appendices include:

- A. Consolidated Plan Certifications
- B. Citizen Participation Plan
- C. List of Key Participants
- D. Survey Instruments
- E. County Housing Market Data
- F. 2005 Allocation Plans
- G. Public Comments and Response
- H. HUD Regulations Cross-Walk

Lead and Participating Agencies

Indiana's Five-Year Consolidated Plan was a collaborative effort. The former Indiana Department of Commerce, which is planned to become the Indiana Office of Rural Affairs, and the Indiana Housing Finance Authority (IHFA) were responsible for overseeing the coordination and

development of the Plan. The Indiana Family and Social Services Administration (FSSA) also assisted in its development.

The Consolidated Plan Coordinating Committee included representatives from the organizations listed above as well as individuals from the Indiana Coalition on Housing and Homeless Issues (ICHHI); the Indiana Association for Community and Economic Development (IACED); the Indiana Civil Rights Commission (ICRC), Rural Opportunities, Incorporated (ROI); the Indiana Institute on Disability and Community; and the U.S. Department of Housing and Urban Development (HUD). A list of Committee members and their respective organizations can be found in Appendix C.

The State of Indiana retained BBC Research & Consulting, Inc. (BBC), an economic research and management consulting firm specializing in housing research and The Keys Group, an Indiana-based planning and research partnership, to assist in the preparation of the Five-Year Consolidated Plan.

Citizen Participation Process

The Consolidated Plan was developed with a strong emphasis on community input. The State conducted three different surveys, key person interviews and public hearings to collect citizen and stakeholder input for the Consolidated Plan. Citizens participated in the development of the Consolidated Plan through:

- A statistically significant telephone survey of 300 citizens living in nonentitlement areas of the State;
- A targeted mail/Internet survey of low-income citizens, citizens receiving public housing assistance and citizens with special needs;
- A key person/organization survey sent to more than 1,600 stakeholders in the State's nonentitlement areas;
- Key person surveys of stakeholders;
- A 30 day public comment period; and
- Two public hearings about the Plan and fund allocations.

Consultation with Governmental and Nonprofit Organizations

The Consolidated Plan Committee made a significant effort to involve governmental agencies and nonprofit organizations at all levels in the planning process. A comprehensive key person survey was sent to more than 1,600 stakeholders statewide. Key person interviews were also conducted of stakeholders. Among the organizations with which the Committee exchanged information were State and local policymakers, service providers to the State's special needs populations, administrators of public housing authorities, as well as city planners and housing development specialists. The materials that these organizations shared with us are sourced throughout the report.

Key Findings from the Consolidated Plan Research

The FY2005-2009 Consolidated Plan placed an emphasis on research collected through citizen and stakeholder surveys and key person interviews. Key findings from the research included:

Key person mail survey

- Almost three-fourths of survey respondents felt that the housing in their communities was in less than good condition. When asked to rate the quality of single family and multifamily housing, both types of housing were rated “average” quality.
- The survey data show a preference for rehabilitation of housing stock rather than new development: 74 percent of respondents agreed with the need to focus on improving housing through rehabilitation, compared to 47 percent who agreed that communities need to add housing through new construction.
- The top-needed housing types identified by the 2005 survey respondents were single family housing, subsidized housing, transitional housing and emergency shelters.
- The greatest impediment to owning a home, as identified by the 2005 survey respondents, included having a poor credit history, high housing prices and lack of stable income/cyclical income.
- Respondents were asked what is most needed in their communities to meet the needs of persons experiencing homelessness. The top needs include transitional housing, supportive services, and emergency shelters.
- According to the survey respondents, the top barriers to community and economic development in Indiana are employment related, including jobs that pay livable wages and job growth.

Citizen survey

- According to a telephone survey of residents in nonentitlement areas in the State, most of the State’s renters would prefer to own a house or a condo/townhome. Some barriers to owning a home as identified by these renters included not having enough money for a downpayment, not qualifying for a mortgage, and not being able to afford a monthly mortgage payment. Of those who tried to get a home loan and could not, the top reasons included poor credit, not enough credit to get a loan, and having a high debt-to-income ratio.
- Three percent (10 respondents) of the telephone survey and 19 percent (13 respondents) of the mail/Internet survey said that they have been homeless before. Common reasons for homelessness were not being able to find an affordable place to live, being evicted/foreclosed upon and becoming sick and unable to work.
- Twenty-seven percent of the owners responding to the telephone survey and 67 percent of owners responding to the mail/Internet survey reported having repairs/improvements

that have not been made to their house. The top repairs needed for both surveys respondents earning less than \$35,000 include repairs to the windows/doors and roofing.

- Eighty-three percent of the telephone survey respondents who are renters and 84 percent of mail/Internet survey respondents who are renters said that their landlords make repairs promptly when needed. Most of the survey respondents whose landlords do not make repairs were lower income.
- The top responses of how survey respondents would spend \$1 million dollars to improve their community included “help bring jobs to my city/town,” “build housing for persons who are disabled and/or seniors,” “build child care centers” and “build more single family affordable housing.”
- Respondents of both types of citizen surveys said that the housing type most needed in their communities is single family homes—nearly one-third of both types of respondents cited this need. Also important to the mail/Internet respondents (29 percent) was the need for accessible housing for disabled persons/elderly.
- Between 4 and 6 percent of residents in Indiana believe they have experienced some type of discrimination related to housing. According to a citizen survey and ICRC complaint data, the most common types of housing discrimination in the State are based on race/national origin, disability and familial status.
- The majority of Indiana residents who believe they have been victims of discrimination did not do anything about the incidence. About one-fifth of Hoosiers are unsure of how they would obtain information about their fair housing rights.

Strategic Plan and Action Items

During FY2005, the State expects to receive more than \$54 million in the HUD block grants, as shown in Exhibit ES-1 to address housing and community development needs.

Exhibit ES-1.

2005 Consolidated Plan Funding, by Program and State Agency

<i>Agency</i>	<i>Allocation</i>
American Dream Downpayment Initiative (ADDI)	\$634,491
Indiana Office of Rural Affairs (CDBG)	\$34,933,351
Indiana Housing Finance Authority (HOME)	\$16,320,149
Indiana Housing Finance Authority (HOPWA)	\$806,000
Indiana Family and Social Services Administration (ESG)	\$1,890,425
<i>Total</i>	<i>\$54,584,416</i>

Source: State of Indiana and HUD, 2005.

Based on the research conducted for the FY2005 Consolidated Plan, the State has developed the following goals and benchmarks for addressing current and future housing and community development needs:

- Goal 1. Expand and preserve affordable housing opportunities throughout the housing continuum.
- Goal 2. Reduce homelessness and increase housing stability for special needs populations.
- Goal 3. Promote livable communities and community revitalization through addressing unmet community development needs.
- Goal 4. Promote activities that enhance local economic development efforts.

The goals are not ranked in order of importance, since it is the desire of the State to allow each region and locality to determine and address the most pressing needs it faces.

Exhibit ES-2 below presents the State's proposed program activities for FY2005 funds, in addition to the expected number of households, units, shelters and communities assisted.

Please see the full Consolidated Plan, especially Section VII – Strategies and Actions and Appendix F – Agency Allocation Plans, for more specific information on the implementation of these goals, the related action items, and program description and application information.

Exhibit ES-2.

Strategies and Action Matrix, FY2005 Five Year Plan, 2005 Action Plan

<i>Goals</i>	<i>Funds</i>	<i>Activities</i>	<i>Funding Goals</i>	<i>Assistance Goals</i>
1. Expand and preserve affordable housing opportunities throughout the housing continuum.	HOME and ADDI	Transitional Housing - Rehabilitation and New Construction	\$6,969,820	For Housing from Shelters to Homeownership, QAP, HOME OOR = 370 units. For First Home = 500 units
		Permanent Supportive Housing - Rehabilitation and New Construction		
		Rental Housing - Rehabilitation and New Construction		
		Homebuyer - Rehabilitation and New Construction		
		Owner-Occupied Rehabilitation	\$5,000,000	
	CDBG	CHDO Operating Support	\$652,806	For all CDBG (Housing) = 235 units
		CHDO Predevelopment and Seed Money Loans	\$400,000	
		Downpayment Assistance (First Home)	\$1,665,509	
		Emergency shelters	\$500,000	
		Youth shelters	\$300,000	
		Transitional housing	\$300,000	
		Migrant/seasonal farmworker housing	\$300,000	
		Permanent supportive housing	\$300,000	
		Rental housing	\$300,000	
		Owner-occupied units	\$2,300,000	
2. Reduce homelessness and increase housing stability for special needs populations.	HOME	See special needs housing activities in Goal 1.		
	CDBG	See special needs housing activities in Goal 1.		
	ESG	Operating support	\$1,417,819	92 shelters
		Homeless prevention	\$283,564	37 shelters
		Essential services	\$94,521	59 shelters
		HMIS start-up	\$20,000	
				For all activities = 34,250 unduplicated clients served
	HOPWA	Rental assistance	\$403,549	142 households/units
		Short-term rent, mortgage, utility assistance	\$214,653	464 households/units
		Supportive services	\$120,206	264 households
		Housing information	\$34,345	32 households
		Project sponsor information	\$53,621	
		Resource identification	\$242	
		Operating costs	\$7,818	5 units

Source: Indiana Office of Rural Affairs, Indiana Housing Finance Authority, Indiana Family and Social Services Administration.

Exhibit ES-2. (continued)
Strategies and Action Matrix, FY2005 Five Year Plan, 2005 Action Plan

<i>Goals</i>	<i>Funds</i>	<i>Activities</i>	<i>Funding Goals</i>	<i>Assistance Goals</i>
3. Promote livable communities and community revitalization through addressing unmet community development needs.	CDBG, Community	Downtown/neighborhood revitalization	\$750,000	2 projects
	Focus Fund	Construction of fire stations	\$1,750,000	4 fire stations
		Fire truck purchases	\$800,000	6 fire trucks
		Historic preservation	\$850,000	2 projects
		Construction/rehabilitation of wastewater collection and treatment systems	\$6,750,000	15 systems
		Construction/rehabilitation of water distribution and treatment systems	\$2,650,000	7 systems
		Construction of stormwater collection systems	\$1,750,000	4 systems
		Community development projects	\$7,105,350	16 facilities/projects
4. Promote activities that enhance local economic development efforts.	CDBG	See community and economic development activities in Goal 3.		

Source: Indiana Office of Rural Affairs, Indiana Housing Finance Authority, Indiana Family and Social Services Administration.